

SECTION 588: POSTING EXPENDITURES TO GENERAL LEDGER

1. General Description. This section describes the posting of expenditure transactions to the GENERAL LEDGER maintained by DAGS Accounting Division. The GENERAL LEDGER contains a complete self-balancing group of accounts for each fund. The specific funds to which expenditure transactions are posted include:
  - (a) General Fund
  - (b) Special Funds
  - (c) Bond Funds
  - (d) Trust and Agency Funds
2. Purpose. The primary purpose for posting expenditures to the GENERAL LEDGER is to record expenditures, on a monthly and cumulative basis, that are applicable to each GENERAL LEDGER account, and to provide a control over subsidiary accounts. The subsidiary accounts are subsequently used in the preparation of various types of financial reports.
3. Legal Authority. Section 40-3, Hawaii Revised Statutes, requires the Comptroller to "...keep ledgers in which he shall open, arrange, and keep in a methodical and systematic manner the various State accounts so that the status and condition of all funds and appropriations, of all assets and liabilities, and for all income and expenditures of the State may at any time be ascertained and known...".
4. Posted By. DAGS Accounting Division, Uniform Accounting and Reporting Branch.
5. Posting of Expenditures. The postings of entries to the GENERAL LEDGER expenditure and liability accounts are from the following records:
  - (a) REGISTER OF AUDITED CLAIMS - The majority of postings for expenditures incurred are obtained from this register.
    - (1) Expenditure accounts maintained for General, Special, and Bond Funds are:
      - Governmental Cost (a/c 921). This account includes expenditures made for current operations which includes payments of current expenses, capital outlays, and provisions for retirement of bonded debts. It represents expenditures which decrease an asset without correspondingly either increasing another asset or decreasing a liability, reserve, or clearing account.

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- Non-Governmental Cost (a/c 922). This account represents expenditures of a non-operating nature which convert one asset to another or which decrease a liability, reserve, or clearing account. Included in this account are payments for:

- Items for resale
- Debt retirement
- Loans and advances
- Refunds and transfer of funds
- Counter-balancing and clearing accounts

(2) Examples of accounts maintained for Trust and Agency Funds to which expenditures are posted either directly or by JOURNAL VOUCHERS are:

- a/c 691 to 694, Taxes Payable to Counties (Honolulu, Maui, Hawaii, and Kauai) are debited for remittance made to each of the four counties.
- a/c 781 to 784, Undistributed Tax Collections, are debited for each of the four taxation divisions (Honolulu, Maui, Hawaii, and Kauai). These collections are distributed to various funds, by source, based on the Department of Taxation's monthly report, Statement of Tax Operations.
- a/c 961, Fund Balances, is debited for various types of Trust and Agency Funds expenditure transactions.

- (b) REGISTER OF RECEIPTS - Credit entries for refunds are posted from this register.
- (c) WARRANTS CANCELLED, SAFORM C-53 - Cancelled WARRANTS for each fund are summarized at the end of each month on JOURNAL VOUCHERS and posted to their respective GENERAL LEDGERS as a reduction of expenditures and increases or decreases in other accounts such as fund balance, appropriations, and revenues.
- (d) JOURNAL VOUCHERS - Adjustments (debits and credits) affecting the expenditure accounts are posted from JVs.